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CONFIDENTIAL MEMORANDUM

MEMO TO: APFA Board of Directors and the Executive Committee

FROM: Hal O'Neil, CPA, Pam Bush

SUBJECT: Review of officer disbursements and the Bob Ross transition agreement

DATE: October 22, 2020

The current APFA officers, in consultation with the APFA staff attorney and outside counsel, requested that our firm review specific former officer expense reimbursements and payroll disbursements, as well as the payments arising from the Bob Ross confidential transition agreement. This informal engagement is substantially less in scope than an audit engagement, the objective of which would be the expression of an opinion regarding these specific disbursements. Accordingly, we do not express an opinion or any form of assurance regarding these disbursements. Our task under this informal engagement, was as follows:

1. To review the backup for the former officers' salary disbursement amounts from 2016 - 2018 and to determine these base salaries were calculated correctly and in compliance with the guidelines and pay rates stipulated in the APFA policy manual. Please see the enclosed schedule A for each officer.
2. To prepare an overpayment schedule of the accrued and unused sick, and accrued and unused vacation time payments made to Bob Ross in 2018, similar to the overpayment schedules we prepared previously for the other three officers. Please see the enclosed schedules B and C for each officer. These overpayment schedules for the other officers were previously provided to the Board of Directors. Please note the Bob Ross confidential transition agreement states that he will be paid all of his accrued and unused sick, and accrued and unused vacation time. This agreement doesn't specify that the payments be made in accordance with the policy manual guidelines. Consequently, these payments appear appropriate and in compliance with the transition agreement. This agreement also specifies reimbursement payments to him of up to \$10,000 in actual moving expenses. His moving expense reimbursement payments did not exceed this amount.
3. To assist the APFA accounting department staff in reviewing and organizing the various requested documents, as set forth in the flight attendants Chinery and Lee financial document request.

Please contact us should the Board of Directors or the Executive Committee have questions regarding our limited engagement.

Sincerely,

Hal O'Neil, CPA

Exhibit B



		C							
National Officer:		Bob Ross		Overpayment Calculation					
		Annual Salary	Daily amount (divide by 365)	Eligible Days to pay	Payment				
Vacation Pay - 2017									
	Original amount	\$ 101,031.36	276.80	14	\$ 3,875.20	OK (paid 3/31/17)			
				Overpayment	\$ -	\$ -			
Sick Pay - 2017									
	Original amount	\$ 101,031.36	276.80	12	\$ 3,321.60	OK (paid 3/31/17)			
				Overpayment	\$ -	\$ -			
Vacation & Sick Pay - 2017 - (adjustment paid in 2018....all paid in error)				Overpayment	\$ 968.76	\$ 968.76			
Vacation Pay - 2017 (remaining unused days per agreement)									
	Original amount - paid in error (a)	\$ 114,632.67	314.06	17	\$ 5,339.02	(paid 3/29/2018)			
	Correct calculation amount	\$ 101,031.36	276.80	17	\$ 4,705.60				
				Overpayment	\$ 633.42	\$ 633.42			
Vacation Pay - 2018 (remaining unused days per agreement)									
	Original amount - paid in error (a)	\$ 122,121.70	334.58	29	\$ 9,702.82	(paid 3/29/2018)			
	Correct calculation amount	\$ 107,893.92	295.60	29	\$ 8,572.40				
				Overpayment	\$ 1,130.42	\$ 1,130.42			
Sick Pay - 2018									
	Original amount - paid in error (a)	\$ 122,121.69	334.58	12	\$ 4,014.96	(paid 3/29/2018)			
	Correct calculation amount	\$ 107,893.92	295.60	12	\$ 3,547.20				
				Overpayment	\$ 467.76	\$ 467.76			
End of term payout - 2017 (January 1 - December 31, 2017)									
	Original amount - paid in error (a)	\$ 118,046.02	334.58	35	\$ 11,710.30	(paid 3/29/2018)			
	Correct calculation amount	\$ 107,893.92	295.60	35	\$ 10,346.00				
				Overpayment	\$ 1,364.30	\$ 1,364.30			
End of Term Payout - 2018 (January 1 - July 31, 2018)									
	Original amount - paid in error (a)	\$ 118,046.02	334.58	20.44	\$ 6,838.82	(paid 3/29/2018)			
	Correct calculation amount	\$ 107,893.92	295.60	20.44	\$ 6,042.06				
				Overpayment	\$ 796.75	\$ 796.75			
				Overpayment subtotal		\$ 5,361.41 **			
Add 2018 profit-sharing contribution paid (3/8/2019) on excess amount above **						\$ 75.06 (based on 1.4%)			
Total overpayment - due to APFA						\$ 5,436.47			